



United States Department of Agriculture
Risk Management Agency

January 2007

2007 COMMODITY INSURANCE FACT SHEET

Cherries

Utah

Crop Insured

All varieties of sweet cherries that are adapted to the area and being grown in the counties listed below can be insured. Growers must insure all of their cherry acreage in the county at the same coverage level. In order to be insured, orchards must be irrigated and have produced at least 850 pounds of cherries per acre in one of the five previous crop years. No minimum tree age is required.

Counties Available

Cherries are insurable in Utah county.

Causes of Loss

- Adverse weather conditions¹
- Failure of irrigation water supply²
- Fire³
- Insects⁴
- Plant disease⁴
- Wildlife⁵

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Unless wildlife control measures have not been taken.

Insurance Period

Coverage begins November 21st (except for the year of application) and ends in the calendar year in which cherries are normally harvested or by August 31st. Subsequent crop years are insured without a break in continuity of coverage from the prior year, coverage begins on September 1.

Coverage Levels and Premium Subsidies

Producers can select the level of their guarantee revenue per acre from among seven fixed-dollar amounts of insurance offered in the county. The coverage levels range from 50 to 75 percent. The Catastrophic (CAT) risk coverage is the minimum amount of coverage that can be obtained.

Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$100, per county with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.

Important Dates

Sales ClosingNovember 20
 Acreage Report Due..... January 15

Loss Example

You have 100 percent share in 10 acres of cherries with an amount of insurance of \$1,037 per acre. The total value of your production to use will be used to determine the count is \$5,000. Your indemnity will be calculated as follows:

- 10 acres X \$1,037 = \$10,370 amount of insurance
 - \$10,370 amount of Insurance - \$5,000 production value = \$5,370 loss; and
 - \$5,370 X 100 percent share = \$5,370 indemnity payment.
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Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:

<http://www3.rma.usda.gov/tools/agents/>

Download Copies from the Web

Visit our online publications/fact sheets page at:
http://www.rma.usda.gov/aboutrma/fields/ca_rso/

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